MEMORANDUM OF UNDERSTANDING
relating to the Export Gas Sales Agreement
for the YADANA GAS PROJECT

This Memorandum of Understanding related to the Export Gas Sales Agreement for the YADANA GAS PROJECT (hereinafter referred to as the "MOUG") records the agreement reached this 9th day of September 1994, by and between:

- THE MYANMA OIL AND GAS ENTERPRISE, an enterprise organized and existing under the laws of the Union of Myanmar and having its principal office at 74/80, Min Ye Kyaw Swa Road, Yangon, (hereinafter referred to as the "MOGE").

- TOTAL MYANMAR EXPLORATION AND PRODUCTION a company existing under the laws of France with its registered office at Tour TOTAL, 24, Cours Michelet, 92800 Puteaux (hereinafter referred to as "TOTAL").

- UNOCAL MYANMAR OFFSHORE CO LTD, a company existing under the laws of Bermuda having an office at 1201 West 5th Street, Los Angeles CA90017 USA (hereinafter referred to as "UNOCAL").

- PETROLEUM AUTHORITY OF THAILAND, having its principal office at 555 Vibhavadi Rangsit Road, Bangkok 10900 (hereinafter referred to as "PTT").

with MOGE, TOTAL, UNOCAL and PTT hereinafter referred to collectively as "Parties".

WHEREAS

- a Memorandum of Understanding (MOU) and a Production Sharing Contract (PSC) both dated July 9th, 1992 for the appraisal, development and production of the Discoveries are in full force and effect (as subsequently amended) between MOGE, TOTAL and UNOCAL;

- in accordance with section 5. c of the MOU, it has been agreed that PTT Exploration and Production Public Company Limited (hereinafter referred to as "PTTEP") has a right to participate in the Moattama Gas Project with a participation share of up to thirty (30) percent of the aggregate Foreign Participants share;

- in accordance with the provisions of the MOU and PSC the Discoveries can be declared Commercial Discovery only when certain conditions are met as listed in Sections 2.1 a) and 6 of the MOU and in Section 7.7.1 of the PSC.

an Export Gas Sales Agreement between the Gas Production Joint Venture participants and PTT is one of the abovementioned conditions.
the Parties have been negotiating such Exps Gas Sales Agreement (hereinafter the "Contract") and have now reached an agreement on its terms and conditions based on the price as stipulated in Article XI of the Contract.

NOW THEREFORE, the Parties agree as follows

ARTICLE 1

For the purpose of this Memorandum of Understanding any term defined in the Contract and not otherwise defined herein shall have the meaning set forth in the Contract.

ARTICLE 2

The Parties acknowledge and agree that the Contract hereto attached as Exhibit 1 duly initialed by all the Parties, represents the agreement reached by the Parties on the terms and conditions under which each Seller shall sell and the Buyer shall buy each Seller’s share in the Sales Gas during the term of the Contract, it being understood that Clause 6.11(c)(number of hours to comply with variations of Nominations), Clause 12.6 (name and location of Paying Agent, name and location of Buyer’s bank), Clause 21.3 (in Article XXI Arbitration), Article XXII (Applicable law). First, Third and Fourth Schedules and Clauses describing the name and address of PTTEP’s subsidiary as a party to the Contract shall be completed in due time before the signature of the Contract, together with any other amendments as may be mutually agreed.

ARTICLE 3

The Parties acknowledge and agree that the signature and coming into force of the Contract shall occur only when:

1) all prior governmental authorizations referred to in Article XXX of the Contract and any other such government or regulatory authorizations required shall have been obtained; and

2) all the other conditions listed in the MOU and PSC and necessary for Commercial Discovery to be determined will have been satisfied and in particular when all the agreements mentioned in Section 6 of the MOU with the exception of the Domestic Gas Transportation Agreement, will have been agreed upon; and

3) all the conditions of PTTEP’s participation and related assignments have been agreed and MOGE’s approval has been obtained; and

4) all the conditions necessary for a Gas Sales Agreement for the sale by PTT of the Sales Gas delivered under the Contract to the end user Electricity Generating Authority of Thailand of such Sales Gas have been satisfied and agreed upon.

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If such conditions shall have not been satisfied by December 31st 1994 then unless otherwise agreed by a later date which shall not be later than January 31st 1995 the Contract shall not be signed and the Parties shall have no obligations or liabilities hereunder. The Date of Commencement of Deliveries shall be postponed by a number of Days equal to the number of Days between December 31st 1994 and the date at which such conditions shall have been satisfied.

ARTICLE 4

Upon the signature and coming into force of the Contract this MOUG will have no further force or effect.

IN WITNESS WHEREOF, this Memorandum of Understanding has been executed in Yangon, the Union of Myanmar as of the date and year first abovementioned.

Signed, and delivered
on behalf of
THE MYANMA OIL AND GAS ENTERPRISE

By U PE KYI
Title Managing Director

WITNESS U SOE MYINT
Acting Director General
Energy Planning Department

Signed, and delivered
on behalf of
TOTAL MYANMAR EXPLORATION AND PRODUCTION

By Thierry DESMAREST
Title Chairman of the Board

WITNESS Jean-Marie BEUQUE
Chief Executive Officer Far East
Signed, and delivered
on behalf of
UNOCAL MYANMAR OFFSHORE CO LTD

By        Mary F MILLER
Title     President

WITNESS  Philip GROVE
Vice President

Signed, and delivered
on behalf of
PETROLEUM AUTHORITY OF THAILAND

By    Luen KRISNAKRI
Title  Governor

WITNESS  Praiya PHINYAWAT
President, Natural Gas Business Unit